



Reference No. 17.27

INCOME DISTRIBUTION, 1973-74 : FAMILIES (PRELIMINARY)

MAIN FEATURES

- Average family income in 1973-74 was \$8,780, an increase of 71 per cent over the figure for 1968-69 (\$5,120).
- The average income of families with two income earners increased by 73 per cent, from \$5,830 in 1968-69 to \$10,100 in 1973-74. The number of such families in November 1974 was nearly 1.5 million (up 20 per cent on the November 1969 figure).
- The 1.3 million families with only one income earner averaged \$7,050 in 1973-74, compared with \$4,190 in 1968-69.

EXPLANATORY NOTES

Introduction

In November 1974, questions were asked at a proportion of the dwellings included in the quarterly population survey in order to obtain information about the income of individuals and families for the year 1973-74. This statement contains some preliminary results for families. Details for individuals are contained in *Income Distribution, 1973-74 - Part I* (Reference No. 17.6). Further particulars of family income similar to those published in *Income Distribution, 1968-69 - Consolidated and Revised Edition* (Reference No. 17.17) will be issued shortly.

2. The survey was based on a multi-stage area sample of private dwellings (about 20,000 houses, flats etc.) and non-private dwellings (hotels, motels, institutions, etc.) and covered slightly less than one-half of one per cent of the population of Australia. The information was obtained from the occupants of selected dwellings by carefully chosen and specially trained interviewers, the interviews being carried out during a four-week period.

3. The estimates relate to the income of family members aged 15 years and over, except members of the permanent armed forces, certain diplomatic personnel customarily excluded from census and estimated populations and persons who were patients in hospitals and sanatoria, or inmates of gaols, reformatories, etc. Where the spouse of the person interviewed was in the armed forces or in an institution, his or her income for the year 1973-74 was included in total family income.

Interpretation of results

4. Since the estimates are based on a sample, they are subject to sampling variability. (See page 2, paragraph 14 on reliability of the estimates). In addition, they are subject to errors of response and reporting.

5. Interviewers engaged in obtaining information on income were instructed to ask respondents to refer to records wherever possible. However, in many cases the answers were based on memory, and frequently on the memory or knowledge of one person, generally the housewife. Some understatement in the estimates may be expected, because of imperfect recall of minor or irregular sources of income. Other errors may be due to genuine misunderstanding, or to misrepresentation.

6. Other points which should be kept in mind in interpreting the results of the survey are as follows:

- (i) A person included in the survey in November 1974 who had lived outside Australia for the whole of 1973-74 was not asked the income questions. A person who had arrived in Australia towards the end of the reference year would have been recorded as receiving little or no income in Australia.
- (ii) The income received by a family does not necessarily reflect the standard of living of that family. For example, although alimony and maintenance payments were counted as income, gifts or donations such as might be made by relatives who were not members of the household were not included, even though such gifts or donations may have been the sole means of support. No account was taken of the possible run-down of assets accumulated in the past.
- (iii) For couples who had married in the period July to November 1974, family income would have been recorded, where applicable, as the sum of the two individual incomes.
- (iv) Family income does not include amounts received by persons who were members of the family during all or part of the year 1973-74 if those persons no longer resided with the family at the time of the survey. Thus income received during 1973-74 by persons who had died before the survey would not have been included.

Definitions

7. **Income** was defined to include (a) all income received while living in Australia, including income from overseas sources and (b) all income received from an Australian source while living overseas. Questions were asked on the amount of income received in 1973-74 from each of the following sources: (1) money wages or salary; (2) own business, trade or profession (net income); (3) share in partnership (net income); (4) government social service benefits; (5) superannuation or annuity; (6) interest, dividends, rent, etc.; (7) other sources, e.g. trust or will, maintenance or alimony. Gifts or donations such as might be made by relatives, friends or charitable organisations were not included, even though such gifts or donations may have been the sole means of support. The definition of income is the same as that used for the 1968-69 survey.

8. **Family income** is the sum of the incomes received from all sources by all members of the family for whom particulars of income were obtained. (See paragraph 7.)

9. **Earned income** is income from wages or salary or income from own business, trade or profession or income from a share in a partnership or the sum of any of these components. Recipients of earned income are referred to as "income earners".

10. **Median income** is the amount which divides the distribution into two equal groups, one having incomes above the median and the other having incomes below it. Linear interpolation was used within the class interval in which the median fell.

11. **Mean (or average) income** is the amount obtained by dividing the total income of a group by the number of units in that group.

12. A **family** was generally defined to consist of two or more persons living in the same household, including the head of the family and any person or persons having any of the following relationships to the head :

- (i) wife
- (ii) son or daughter of any age, if unmarried and not accompanied by children of his or her own
- (iii) brother or sister 15 years of age or over, if unmarried and not accompanied by children of his or her own.
- (iv) grandchild, if unmarried and not accompanied by either of his or her parents, nor by children of his or her own
- (v) ancestor, if not married and not accompanied by children under 15 years of age of his or her own; or
- (vi) any child under 15 years of age not accompanied by a parent, unless the child was

related to some person in a second family in the household.

However, where the spouse was in the armed forces or in an institution at the time of the survey and particulars of his or her income for the year 1973-74 were available, he or she was counted as a family member.

13. The following points should be noted in relation to the definition of a family in the previous paragraph :

- (i) the term 'relationship' includes relationships by blood, marriage or adoption
- (ii) the marriage relationship includes legal and de facto relationships
- (iii) widowed and divorced persons are considered to be not married.

A family, as defined, can contain no more than two married persons, and can contain two married persons only if they are husband and wife.

Reliability of the estimates

14. Since the estimates in this statement are based on a sample, they may differ from the figures that would have been obtained from a complete census using the same questionnaire and procedures. One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample and not the whole population was enumerated. The smaller the estimate the higher is the relative standard error. For example, the relative standard error of an estimate for Australia of 2,000,000 persons is approximately 1.2 per cent (24,000), while that of an estimate of 20,000 is approximately 11 per cent (2,200). Standard errors of the estimates for families are not available, but they will generally be slightly lower than those for individuals for estimates of the same size. There are about two chances in three that a sample estimate will differ by less than one standard error from the figures that would have been obtained from a comparable complete enumeration, and about nineteen chances in twenty that the difference will be less than two standard errors. Very small estimates are subject to such high standard errors as to detract seriously from the value for most reasonable uses. In the tables in this statement, estimates less than 4,000 have not been shown. Although figures for these small components can in some cases be derived by subtraction, they should not be regarded as reliable. More information on this subject is given in the quarterly bulletin *The Labour Force* (Reference No. 6.20).

NOTE. 1. Any discrepancies between totals and sums of components in tables are due to rounding.
2. Median and mean incomes have been calculated to the nearest ten dollars.

NOTE. *Inquiries concerning these statistics may be made in Canberra by telephoning Mr Alan Abrahart on 52 6570 or, in each State capital, by telephoning the office of the Australian Bureau of Statistics.*

TABLE 1. — FAMILY INCOME AND FAMILY SIZE, AUSTRALIA, 1973-74 (a)

	Number in family					Total
	2	3	4	5	6 and over	
<i>Total family income (b) (\$) —</i>	<i>— '000 families —</i>					
Under 1,000	24.5	11.7	12.9	5.6		57.1
1,000 and under 1,200	6.5	*			4.5	9.7
1,200 " " 1,600	24.3	4.2	6.1	5.3		33.5
1,600 " " 2,000	18.0	4.9				28.3
2,000 " " 2,500	143.5(c)	12.8	6.5		4.6	167.1
2,500 " " 3,000	53.6	9.9	7.2	*		76.9
3,000 " " 3,500	43.2	13.5	7.7	5.7	*	73.6
3,500 " " 4,000	43.1	23.8	12.3	5.9	5.2	90.3
4,000 " " 4,500	44.1	26.6	14.9	12.8	4.0	102.4
4,500 " " 5,000	50.0	25.0	31.7	14.8	9.4	130.9
5,000 " " 5,500	66.1	37.1	43.3	17.9	11.8	176.1
5,500 " " 6,000	47.0	34.9	33.9	20.8	15.5	152.1
6,000 " " 6,500	63.9	41.9	53.7	29.2	15.4	204.1
6,500 " " 7,000	44.5	42.3	39.9	23.8	17.6	168.0
7,000 " " 7,500	49.7	35.9	45.4	25.7	13.0	169.7
7,500 " " 8,000	47.8	40.0	45.0	25.0	12.5	170.2
8,000 " " 8,500	47.9	30.9	46.2	23.7	13.2	161.9
8,500 " " 9,000	40.7	29.0	37.4	18.2	14.1	139.4
9,000 " " 9,500	44.4	31.3	31.2	20.6	13.8	141.3
9,500 " " 10,000	39.1	31.3	32.5	21.5	13.2	137.6
10,000 " " 11,000	64.8	55.2	58.6	42.4	27.9	248.8
11,000 " " 12,000	52.2	43.3	41.5	26.3	20.1	183.3
12,000 " " 13,000	42.5	40.0	39.9	20.8	17.3	160.4
13,000 " " 15,000	48.1	44.7	52.1	32.7	29.4	207.1
15,000 " " 17,000	24.8	33.4	32.0	23.4	16.3	129.8
17,000 " " 19,000	9.7	14.3	24.4	10.0	10.7	69.1
19,000 " " 21,000	7.9	7.7	16.1	10.2	10.1	51.9
21,000 " " 23,000	5.6	4.9	5.4	5.6	6.2	27.7
23,000 " " 25,000		*	*	*	*	14.7
25,000 " " 30,000	6.1	4.2	6.4	5.3	5.8	25.4
30,000 and over	9.1	6.7	9.2	4.8	4.5	34.3
Total	1,212.6	747.3	796.0	464.2	322.9	3,542.9
<i>— dollars —</i>						
Median income	6,330	8,110	8,410	8,830	9,630	7,850
Mean income	7,140	9,020	9,590	9,870	10,850	8,780

For footnotes see Table 2.

* Less than 4,000. See page 2, paragraph 14.

TABLE 2. — FAMILY INCOME AND NUMBER OF INCOME EARNERS, AUSTRALIA, 1973-74 (a)

	Income earners in family				Total
	None	1	2	3 and over	
Total family income (b) (\$) —	— '000 families —				
Under 1,000	35.0	16.7	5.3		57.1
1,000 and under 1,200	*	5.2			9.7
1,200 " " 1,400	9.3	5.1	4.4		16.5
1,400 " " 1,600	8.8	6.5			17.0
1,600 " " 1,800	5.1	4.9	*		11.4
1,800 " " 2,000	8.3	6.1		4.8	16.9
2,000 " " 2,500	133.9(c)	23.8	9.3		167.1
2,500 " " 3,000	33.3	31.2	12.0		76.9
3,000 " " 3,500	25.7	38.4	8.8		73.6
3,500 " " 4,000	21.7	51.1	16.0		90.3
4,000 " " 4,500	10.1	67.8	22.9		102.4
4,500 " " 5,000	6.4	91.0	32.3	4.7	130.9
5,000 " " 5,500	10.8	121.2	40.7		176.1
5,500 " " 6,000	4.6	95.8	49.4	*	152.1
6,000 " " 6,500	4.1	121.2	72.7	6.0	204.1
6,500 " " 7,000	4.8	88.8	71.7	5.3	168.0
7,000 " " 7,500		81.9	74.9	10.2	169.7
7,500 " " 8,000		68.2	90.2	10.6	170.2
8,000 " " 8,500	4.0	61.7	87.9	11.4	161.9
8,500 " " 9,000		38.6	83.8	15.3	139.4
9,000 " " 9,500		40.7	84.5	14.2	141.3
9,500 " " 10,000		31.8	89.8	15.7	137.6
10,000 " " 11,000	4.7	60.2	154.0	33.4	248.8
11,000 " " 12,000		29.0	115.2	38.7	183.3
12,000 " " 13,000		25.7	95.7	38.9	160.4
13,000 " " 15,000		29.0	102.5	74.7	207.1
15,000 " " 17,000		17.5	54.1	58.2	129.8
17,000 " " 19,000		7.5	31.4	30.2	69.1
19,000 " " 21,000		7.6	19.2	24.7	51.9
21,000 " " 23,000		4.2	12.1	11.4	27.7
23,000 " " 25,000	*	*	7.7	*	14.7
25,000 " " 30,000		4.6	10.0	13.5	25.4
30,000 " " 35,000			8.7	4.2	16.3
35,000 and over		*	9.5	5.0	18.0
Total	335.5	1,290.0	1,480.6	436.7	3,542.9
— dollars —					
Median income	2,360	6,330	9,320	13,190	7,850
Mean income	2,790	7,050	10,100	14,050	8,780

(a) For definitions see page 2. (b) From all sources (including government social service benefits). (c) These numbers include married couple families whose major source of income is the maximum age pension.

* Less than 4,000. See page 2, paragraph 14.

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